

January 30, 2003

Ms. Marlene H. Dortch Secretary Federal Communications Commission 236 Massachusetts Avenue, N.E. Suite 110 Washington, DC 2002

RE: Comments In Support of Request for Initiation of Proceeding Into Character of WorldCom, Inc. and Other Commission Licensees – RM-10613

Dear Ms. Dortch:

The National Black Chamber of Commerce (NBCC), which represents the interests of more than 85,000 Black-owned businesses with 201 affiliated chapters located in 40 states and eight countries, strongly urges the Federal Communications Commission (FCC) to support UCC's *Petition for Rulemaking and Request for Initiation of § 403 Proceeding Into Character of WorldCom, Inc. and Other Commission Licensees*. The NBCC generally favors minimal regulatory burdens to commerce. Indeed, business owners typically prefer to let the market determine how products and services are bought and sold. The underlying assumption, however, is that everyone is playing by the rules.

We understand that from at least the first quarter of 2001 through the first quarter of 2002 WorldCom defrauded investors by overstating its earnings by almost 3.8 billion dollars. Investors have lost 94% of their stock value. The impact of WorldCom's fraudulent activities and bankruptcy have spread across the telecommunications industry, harming the economy and placing our national security at risk because of the dependence of our economy and the military on technology and the Internet. Fraudulent behavior by *any* company is unfair and distorts the market. Accordingly, the FCC should launch an investigation (referred to as a Section 403 Proceeding) into the behavior of WorldCom and other companies accused of fraudulent behavior. In addition, the FCC should promulgate rules on what constitute minimum corporate character requirements for businesses that are custodians of the public trust known as information services.

WorldCom's \$ 9 billion bankruptcy should be a clarion call to the FCC to take action to protect businesses from relying on unscrupulous actors standing at the gateway to the digital marketplace. As ecommerce becomes even more commonplace, the FCC must make every effort to ensure that only ethical companies be permitted to shepherd how, by and through which online provider products and services can be delivered. It doesn't take an economist to know that without fair competition, consumers and businesses suffer. Accordingly, the FCC should investigate WorldCom's fraudulent behavior and initiate appropriate remedial proceedings, including revocation of WorldCom's operating licenses. Finally, to protect the public interest,

the FCC should promulgate rules on what constitutes minimum corporate character. The NBBC supports the UCC's petition and its recommendations on what the rules should address. At a minimum these rules must:

- Eliminate opportunities and incentives to misrepresent material facts before the FCC
- Ensure that auditors are independent both in fact and appearance and operate in a manner similar or stronger to what is required by the new Securities and Exchange Commission (SEC) regulations.
- Protect shareholders and consumers from insider dealing of stock options to officers and directors.

We thank you for opportunity to participate in this proceeding.

Sincerely,

Harry C. Alford

President & CEO

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